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*Attorney for Questar Gas Company*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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IN THE MATTER OF A REQUEST FOR	)	
AGENCY ACTION TO REVIEW THE	)	
CARRYING CHARGES APPLIED TO	)	Docket No. 17-057-T02
VARIOUS QUESTAR GAS COMPANY	)	QUESTAR GAS COMPANY'S
ACCOUNT BALANCES	)	PROPOSED TARIFF CHANGE
	)	

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Pursuant to Utah Admin Code R746-405-2, Questar Gas Company (Questar Gas or Company) respectfully submits the attached changes to Section 8.07 of the Company's Utah Natural Gas Tariff No. 400 (Tariff) to (1) update the Company's carrying charge to 4.19%, with an effective date of March 1, 2017, (2) modify the date on which the carrying charge must be updated each year, and (3) remove a reference to an obsolete source of data. This interest charge will apply to Questar Gas accounts 182.3, 182.4, 191.1, 191.8, 191.9 and 235.1. The Company proposes these changes for the reasons described below.

**I. DISCUSSION**

On April 29, 2015, the Public Service Commission of Utah (Commission) issued an order in Docket No. 14-057-32 approving a change in the carrying charges applied to Questar accounts 182.3, 182.4, 191.1, 191.8, 191.9 and 235.1, including the method for calculating the

carrying charges. Section 8.07 of the Tariff explains how interest rates are calculated. Specifically, this section states:

On or before February 1 of each year, the Company shall calculate an annual carrying charge and file a letter with the Commission reflecting this rate, to be effective on March 1 of each year. This charge shall be based on the average annual Aaa and Baa Corporate interest rates for the preceding calendar year as published by the Federal Reserve Board of Governors.

Following the implementation of this Tariff language, the Federal Reserve Board of Governors ceased publishing the average annual Aaa and Baa Corporate interest. After consultation with the Utah Division of Public Utilities, the Company determined that interest rate information could be obtained from Moody’s Investors Service (MIS) or the Mergent Bond Record. These publications are available through a subscription or at the public library. Accordingly, the Company has calculated an updated interest rate of 4.19%, based upon Aaa and Baa Corporate interest rates for 2016 as published by Moody’s Investors Service (MIS). The rates provided by MIS and the calculation are shown in the following table:

	Aaa	Baa
<b>Jan-16</b>	4.00	5.45
<b>Feb-16</b>	3.96	5.34
<b>Mar-16</b>	3.82	5.13
<b>Apr-16</b>	3.62	4.79
<b>May-16</b>	3.65	4.68
<b>Jun-16</b>	3.50	4.53
<b>Jul-16</b>	3.28	4.22
<b>Aug-16</b>	3.32	4.24
<b>Sep-16</b>	3.41	4.31
<b>Oct-16</b>	3.51	4.38
<b>Nov-16</b>	3.86	4.71
<b>Dec-16</b>	4.06	4.83
<b>2016 Average</b>	3.67	4.72
<b>Aaa and Baa Average</b>	<b>4.19</b>	

Because the Federal Reserve Board of Governors no longer provides the average interest rates, the Company proposes to use the Mergent Bond Record publication or Moody's Investors Service for future annual updates. These resources may not be available in time to be used for the annual calculation by the current February 1<sup>st</sup> deadline. Therefore, the Company proposes that the updated rate calculation be filed on March 1<sup>st</sup> going forward with an effective date of April 1<sup>st</sup>. The updated interest rate, source of the calculation, and timing of the annual update going forward have been incorporated into the legislative and proposed Section 8.07 of the Tariff attached as Exhibit 1. These proposed Tariff changes do not constitute a violation of a state law or Commission rule.

### **III. CONCLUSION**

The Company requests that the Commission approve the proposed Tariff changes with an effective date of March 1, 2017.

DATED this 26th day of January, 2017.

Respectfully submitted,

QUESTAR GAS COMPANY

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## CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served upon the following  
by electronic mail on January 26, 2017:

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